

2010-101 AUDIT SCOPE AND OBJECTIVES—Beverage Container Recycling Program and Fund

The Bureau of State Audits will provide independently developed and verified information related to the Beverage Container Recycling Program and the Beverage Container Recycling Fund, and would include, but not be limited to, the following:

1. Review and evaluate the laws, rules, and regulations significant to the audit objectives.
2. For the past five years, determine the following for the program and the BCRF:
 - a. The receipts, expenditures, transfers, and balances for each fiscal year.
 - b. The amount borrowed from the BCRF each year, the reasons for the borrowing, and any approvals obtained for the borrowing.
 - c. The amount of grant funds distributed.
 - d. The costs to administer the program and the BCRF.
3. For a sample of the administrative expenditures over the past five years, determine whether they were allowable and reasonable.
4. Review and assess the policies and procedures to ensure that the grant funds are awarded and used only for allowable purposes. For a sample of grant award expenditures for the past five years, determine whether the expenditures were for allowable purposes and how the department monitored these funds to ensure they were used properly.
5. Review and assess the current and any planned changes in policies and procedures to ensure that all fees from the distributors are collected by the program.
6. Evaluate the current and any planned changes in the methods used to identify and address fraud, including methods used to track and compare sales and California Refund Value collection and redemption amounts.
7. Examine the current and any planned changes to the method for forecasting and reporting the BCRF balance.
8. Evaluate the current and any planned changes to the methods for calculating the recent reductions in payments and fee offsets.
9. Identify and evaluate management's ability to assess the efficiency and effectiveness of various recycling programs.